



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

March 24, 2017

Bryan Davis  
Superintendent  
Dimmitt Independent School District  
608 West Halsell St.  
Dimmitt, Texas 79027

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations Taxes by and between Dimmitt Independent School  
District and Easter Renewable Energy Project, LLC, Application 1169

Dear Superintendent Davis:

On March 13, 2017, the Comptroller issued written notice that Easter Renewable Energy Project, LLC (applicant) submitted a completed application (Application 1169) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on December 12, 2016, to the Dimmitt Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

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<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

- Sec. 313.024(d)      Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2)      Not applicable to Application 1169.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

**Certificate decision required by 313.025(d)**

**Determination required by 313.026(c)(1)**

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem* tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

**Determination required by 313.026(c)(2)**

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

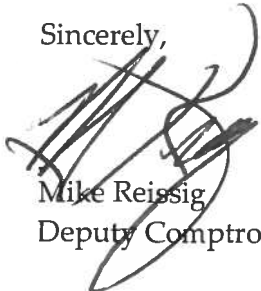
This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2017.

Note that any building or improvement existing as of the application review start date of

March 13, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Reissig", is written over the printed name and title.

Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Easter Renewable Energy Project, LLC (project) applying to Dimmitt Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Easter Renewable Energy Project, LLC.

Applicant	Easter Renewable Energy Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Dimmitt ISD
2015-2016 Average Daily Attendance	1,091
County	Castro
Proposed Total Investment in District	\$282,750,00
Proposed Qualified Investment	\$282,750,00
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1072
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$1055
Minimum annual wage committed to by applicant for qualified jobs	\$55,750
Minimum weekly wage required for non-qualifying jobs	\$719
Minimum annual wage required for non-qualifying jobs	\$37,376
Investment per Qualifying Job	\$56,550,000
Estimated M&O levy without any limit (15 years)	\$28,670,850
Estimated M&O levy with Limitation (15 years)	\$7,961,200
Estimated gross M&O tax benefit (15 years)	\$20,709,650

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of Easter Renewable Energy Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	150	1,424	1,574	\$7,854,600	\$87,970,595	\$95,825,195
2019	5	54	58.5938	\$278,750	\$11,195,859	\$11,474,609
2020	5	13	18	\$278,750	\$7,411,680	\$7,690,430
2021	5	(11)	-6	\$278,750	\$3,871,641	\$4,150,391
2022	5	(26)	-21	\$278,750	\$1,552,305	\$1,831,055
2023	5	(30)	-25	\$278,750	\$87,461	\$366,211
2024	5	(34)	-29	\$278,750	-\$522,891	-\$244,141
2025	5	(25)	-20	\$278,750	-\$1,255,313	-\$976,563
2026	5	(26)	-21	\$278,750	-\$1,621,523	-\$1,342,773
2027	5	(21)	-16	\$278,750	-\$1,011,172	-\$732,422
2028	5	(19)	-14	\$278,750	-\$1,255,313	-\$976,563
2029	5	(19)	-14	\$278,750	-\$1,255,313	-\$976,563
2030	5	(17)	-12	\$278,750	-\$1,499,453	-\$1,220,703
2031	5	(17)	-12	\$278,750	-\$1,499,453	-\$1,220,703
2032	5	(13)	-8	\$278,750	-\$1,499,453	-\$1,220,703
2033	5	(15)	-10	\$278,750	-\$2,231,875	-\$1,953,125

Source: CPA REMI, Easter Renewable Energy Project, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Dimmitt ISD I&S Tax Levy	Dimmitt ISD M&O Tax Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital Tax Levy	High Plains Underground Water Conservation District #1	Estimated Total Property Taxes
			Tax Rate <sup>1</sup>	0.3300	1.0400		0.5610	0.3400	0.0075	
2019	\$282,750,000	\$282,750,000		\$933,075	\$2,940,600	\$3,873,675	\$1,586,228	\$961,350	\$21,206	\$6,442,459
2020	\$268,612,500	\$268,612,500		\$886,421	\$2,793,570	\$3,679,991	\$1,506,916	\$913,283	\$20,146	\$6,120,336
2021	\$254,475,000	\$254,475,000		\$839,768	\$2,646,540	\$3,486,308	\$1,427,605	\$865,215	\$19,086	\$5,798,213
2022	\$240,337,500	\$240,337,500		\$793,114	\$2,499,510	\$3,292,624	\$1,348,293	\$817,148	\$18,025	\$5,476,090
2023	\$226,200,000	\$226,200,000		\$746,460	\$2,352,480	\$3,098,940	\$1,268,982	\$769,080	\$16,965	\$5,153,967
2024	\$212,062,500	\$212,062,500		\$699,806	\$2,205,450	\$2,905,256	\$1,189,671	\$721,013	\$15,905	\$4,831,844
2025	\$197,925,000	\$197,925,000		\$653,153	\$2,058,420	\$2,711,573	\$1,110,359	\$672,945	\$14,844	\$4,509,721
2026	\$183,787,500	\$183,787,500		\$606,499	\$1,911,390	\$2,517,889	\$1,031,048	\$624,878	\$13,784	\$4,187,598
2027	\$169,650,000	\$169,650,000		\$559,845	\$1,764,360	\$2,324,205	\$951,737	\$576,810	\$12,724	\$3,865,475
2028	\$155,512,500	\$155,512,500		\$513,191	\$1,617,330	\$2,130,521	\$872,425	\$528,743	\$11,663	\$3,543,352
2029	\$141,375,000	\$141,375,000		\$466,538	\$1,470,300	\$1,936,838	\$793,114	\$480,675	\$10,603	\$3,221,229
2030	\$127,237,500	\$127,237,500		\$419,884	\$1,323,270	\$1,743,154	\$713,802	\$432,608	\$9,543	\$2,899,106
2031	\$113,100,000	\$113,100,000		\$373,230	\$1,176,240	\$1,549,470	\$634,491	\$384,540	\$8,482	\$2,576,983
2032	\$98,962,500	\$98,962,500		\$326,576	\$1,029,210	\$1,355,786	\$555,180	\$336,472	\$7,422	\$2,254,861
2033	\$84,825,000	\$84,825,000		\$279,922	\$882,180	\$1,162,103	\$475,868	\$288,405	\$6,362	\$1,932,738
			Total	\$9,097,481	\$28,670,850	\$37,768,331	\$15,465,718	\$9,373,163	\$206,761	\$62,813,973

Source: CPA, Easter Renewable Energy Project, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Castro County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with Castro County.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Dimmitt ISD I&S Tax Levy	Dimmitt ISD M&O Tax Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital Tax Levy	High Plains Underground Water Conservation District #1	Estimated Total Property Taxes
				0.3300	1.0400		0.5610	0.3400	0.0075	
2019	\$282,750,000	\$20,000,000		\$933,075	\$208,000	\$1,141,075	\$0	\$961,350	\$21,206	\$2,123,631
2020	\$268,612,500	\$20,000,000		\$886,421	\$208,000	\$1,094,421	\$0	\$913,283	\$20,146	\$2,027,850
2021	\$254,475,000	\$20,000,000		\$839,768	\$208,000	\$1,047,768	\$0	\$865,215	\$19,086	\$1,932,068
2022	\$240,337,500	\$20,000,000		\$793,114	\$208,000	\$1,001,114	\$0	\$817,148	\$18,025	\$1,836,287
2023	\$226,200,000	\$20,000,000		\$746,460	\$208,000	\$954,460	\$0	\$769,080	\$16,965	\$1,740,505
2024	\$212,062,500	\$20,000,000		\$699,806	\$208,000	\$907,806	\$0	\$721,013	\$15,905	\$1,644,723
2025	\$197,925,000	\$20,000,000		\$653,153	\$208,000	\$861,153	\$0	\$672,945	\$14,844	\$1,548,942
2026	\$183,787,500	\$20,000,000		\$606,499	\$208,000	\$814,499	\$0	\$624,878	\$13,784	\$1,453,160
2027	\$169,650,000	\$20,000,000		\$559,845	\$208,000	\$767,845	\$0	\$576,810	\$12,724	\$1,357,379
2028	\$155,512,500	\$20,000,000		\$513,191	\$208,000	\$721,191	\$0	\$528,743	\$11,663	\$1,261,597
2029	\$141,375,000	\$141,375,000		\$466,538	\$1,470,300	\$1,936,838	\$793,114	\$480,675	\$10,603	\$3,221,229
2030	\$127,237,500	\$127,237,500		\$419,884	\$1,323,270	\$1,743,154	\$713,802	\$432,608	\$9,543	\$2,899,106
2031	\$113,100,000	\$113,100,000		\$373,230	\$1,176,240	\$1,549,470	\$634,491	\$384,540	\$8,482	\$2,576,983
2032	\$98,962,500	\$98,962,500		\$326,576	\$1,029,210	\$1,355,786	\$555,180	\$336,472	\$7,422	\$2,254,861
2033	\$84,825,000	\$84,825,000		\$279,922	\$882,180	\$1,162,103	\$475,868	\$288,405	\$6,362	\$1,932,738
			Total	\$9,097,481	\$7,961,200	\$17,058,681	\$3,172,455	\$9,373,163	\$206,761	\$29,811,060
			Diff	\$0	\$20,709,650	\$20,709,650	\$12,293,263	\$0	\$0	\$33,002,913
Assumes School Value Limitation and Tax Abatements with the County.										

Source: CPA, Easter Renewable Energy Project, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller's determination that Easter Renewable Energy Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2019	\$208,000	\$208,000	\$2,732,600	\$2,732,600
	2020	\$208,000	\$416,000	\$2,585,570	\$5,318,170
	2021	\$208,000	\$624,000	\$2,438,540	\$7,756,710
	2022	\$208,000	\$832,000	\$2,291,510	\$10,048,220
	2023	\$208,000	\$1,040,000	\$2,144,480	\$12,192,700
	2024	\$208,000	\$1,248,000	\$1,997,450	\$14,190,150
	2025	\$208,000	\$1,456,000	\$1,850,420	\$16,040,570
	2026	\$208,000	\$1,664,000	\$1,703,390	\$17,743,960
	2027	\$208,000	\$1,872,000	\$1,556,360	\$19,300,320
	2028	\$208,000	\$2,080,000	\$1,409,330	\$20,709,650
<b>Maintain Viable Presence (5 Years)</b>	2029	\$1,470,300	\$3,550,300	\$0	\$20,709,650
	2030	\$1,323,270	\$4,873,570	\$0	\$20,709,650
	2031	\$1,176,240	\$6,049,810	\$0	\$20,709,650
	2032	\$1,029,210	\$7,079,020	\$0	\$20,709,650
	2033	\$882,180	\$7,961,200	\$0	\$20,709,650
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$735,150	\$8,696,350	\$0	\$20,709,650
	2035	\$588,120	\$9,284,470	\$0	\$20,709,650
	2036	\$588,120	\$9,872,590	\$0	\$20,709,650
	2037	\$588,120	\$10,460,710	\$0	\$20,709,650
	2038	\$588,120	\$11,048,830	\$0	\$20,709,650
	2039	\$588,120	\$11,636,950	\$0	\$20,709,650
	2040	\$588,120	\$12,225,070	\$0	\$20,709,650
	2041	\$588,120	\$12,813,190	\$0	\$20,709,650
	2042	\$588,120	\$13,401,310	\$0	\$20,709,650
	2043	\$588,120	\$13,989,430	\$0	\$20,709,650
		<b>\$13,989,430</b>	is less than	<b>\$20,709,650</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levv directly related to this project.

Source: CPA, Easter Renewable Energy Project, LLC

[illegible]



## **Attachment C – Limitation as a Determining Factor**

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### **Methodology**

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### **Determination**

The Comptroller has determined that the limitation on appraised value is a determining factor in the Easter Renewable Energy Project LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- December 3, 2013, Dimmitt ISD submitted an application seeking appraised value limitation on qualified property on behalf of Easter Renewable Energy Project, LLC to the Comptroller’s office (application #390). The applicant executed an agreement with the school district on July 7, 2014.
- February 2016, the Comptroller’s office received an agreement cancellation letter between Dimmitt ISD and Easter Renewable Energy Project, LLC, saying, “The Project has been delayed and Applicant has determined that it cannot timely meet the Qualified Investment. The Qualifying Time Period expired on December 31, 2016, and prior to the expiration of the Qualifying Time Period, the applicant failed to make the \$10 million minimum Qualified Investment during the Qualified Time Period.”
- January 12, 2017, Dimmitt ISD resubmitted a new application for the property described in application #390 and seeking appraised value limitation on qualified property on behalf of Easter Renewable Energy Project, LLC to the Comptroller’s office (application #1169).
- Per Easter Renewable Energy Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Easter Renewable Energy Project, LLC was formed in 2013. Since its formation, Easter Renewable Energy Project, LLC and its associate parties have entered into the following representative agreements and contracts for the development of a project phase within Dimmitt ISD and intend to assign these assets to Easter Renewable Energy. Grants of leases and easements covering approximately 30,000 acres, FAA radar impacts study contract with Westslope Consulting, Wind Data Measurement contract with Wireless Innovations for data transmission for Met Towers, Contract with V-Bar for data storage and verification of wind data, D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC, Wind study and contract with AWS Truepower, Avian study and

Professional Services, Threatened and endangered species survey and contract with Westwood Professional Services.”

- B. “The business activities these agreements and contracts listed above will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Dimmitt ISD. These contracts and initial investments are preliminary in nature as Easter Renewable Energy Project, LLC has determined that a value limitation agreement with Dimmitt ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.”
- C. “Tri Global Energy’s team has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, financeability, and the economic returns they represent in comparison to other project opportunities across the country. Other such opportunities include potential investments in projects located across much of the Midwest. These sites include, but are not limited to, project opportunities in Kansas, Colorado, Nebraska, and New Mexico. The Easter Renewable Energy Project is currently in such a period of assessment to determine whether the identified site in Dimmitt ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.”
- D. “A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support.”
- E. “Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third party investment is mandatory to finance the projected capital costs of approximately 250M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.”
- According to [www.rechargenews.com](http://www.rechargenews.com) dated September 27, 2016, “Tri Global says PTC-qualified capacity is less than planned capacity at six of the seven wind farms. The company has more than 640,000 acres (2,590sq km) of land in West Texas and the state’s Panhandle region under lease. Tri Global says it has not decided on a turbine supplier for the other six projects as follows: Bearkat Renewable Energy Project: 300MW planned and 240MW PTC-qualified, Changing Winds Renewable Energy Project: 300MW planned and 240MW PTC-qualified, Easter Renewable Energy Project: 300 MW planned and 240MW PTC-qualified, Fluvanna Renewable Energy Project: 366 MW planned and 240MW PTC-qualified, Goodnight Wind Energy Project: 500 MW planned and 240MW PTC-qualified, and Hale Community Energy: 1.1GW planned, 240MW PTC-qualified.”

#### **Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# **Supporting Information**

## **Section 8 of the Application for a Limitation on Appraised Value**

# Application for Appraised Value Limitation on Qualified Property

## SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
  - (1) manufacturing ☐ Yes ☒ No
  - (2) research and development ☐ Yes ☒ No
  - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
  - (5) renewable energy electric generation ☒ Yes ☐ No
  - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
  - (7) nuclear electric power generation ☐ Yes ☒ No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

## SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

## SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☒ Yes ☐ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

For more information, visit our website: [www.TexasAhead.org/tax\\_programs/chapter313/](http://www.TexasAhead.org/tax_programs/chapter313/)

# **Supporting Information**

**Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value**

## Attachment 5

***Documentation to assist in determining if limitation is a determining factor.***

***Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.***

**Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?**

Easter Renewable Energy Project, LLC was formed in 2013.

Since its formation, Easter Renewable Energy Project, LLC and its associate parties have entered into the following representative agreements and contracts for the development of a project phase within Dimmitt ISD and intend to assign these assets to Easter Renewable Energy Project, LLC:

- Grants of leases and easements covering approximately 30,000 acres
- FAA radar impacts study contract with Westslope Consulting
- Wind Data Measurement contract with Wireless Innovations for data transmission for Met Towers
- Contract with V-Bar for data storage and verification of wind data
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC
- Wind study and contract with AWS Truepower
- Avian study and contract with Westwood Professional Services
- Bat study and contract with Westwood Professional Services
- Threatened and endangered species survey and contract with Westwood Professional Services

**Does the applicant have current business activities at the location where the proposed project will occur?**

The business activities these agreements and contracts listed above will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Dimmitt ISD.

These contracts and initial investments are preliminary in nature as Easter Renewable Energy Project, LLC has determined that a value limitation agreement with Dimmitt ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

**Is the applicant evaluating other locations not in Texas for the proposed project?**

Tri Global Energy's team has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. Other such opportunities include potential investments in projects located across much of the Midwest. These sites include, but are not limited to, project opportunities in Kansas, Colorado, Nebraska, and New Mexico.

The Easter Renewable Energy Project is currently in such a period of assessment to determine whether the identified site in Dimmitt ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately 250M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

**Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?**

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of Easter Renewable Energy Project, LLC.



# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller



# Tri Global qualifies 1.52GW for PTC

Tri Global Energy has qualified 1.52GW of generation capacity at seven planned community-based wind projects in Texas for the federal production tax credit (PTC), the Dallas-based developer tells Recharge.

by Richard A. Kessler

12 February 2014

Updated 27 September 2016

The incentive expired at the end of 2013. Still, projects were able to qualify benefitting from the provision that allows work of a “significant nature,” and 5% of their cost to have been incurred by 31 December 2013. Thereafter, a project is required to show “continuous construction.”

Most projects that did qualify will be built this year and in 2015, with the balance expected to get done in 2016.

Tri Global says PTC-qualified capacity is less than planned capacity at six of the seven wind farms. The company has more than 640,000 acres (2,590sq km) of land in West Texas and the state’s Panhandle region under lease.

The first project to be built is Fiber Winds Energy, with all 80MW PTC-qualified. It will utilize Alstom 2.7MW and 3MW turbines. It is located near Lubbock, which is south of Amarillo where Alstom has a nacelle production plant.

Tri Global says it has not decided on a turbine supplier for the other six projects as follows:

Bearkat Renewable Energy Project: 300MW planned and 240MW PTC-qualified.

Changing Winds Renewable Energy Project: 300MW planned and 240MW PTC-qualified.

Easter Renewable Energy Project: 300 MW planned and 240MW PTC-qualified.

Fluvanna Renewable Energy Project: 366 MW planned and 240MW PTC-qualified.

Goodnight Wind Energy Project: 500 MW planned and 240MW PTC-qualified.

Hale Community Energy: 1.1GW planned, 240MW PTC-qualified.